

No. 16,351

IN THE

United States Court of Appeals  
For the Ninth Circuit

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KIM BROS., a partnership,

*Appellant,*

vs.

L. A. HAGLER,

*Appellee.*

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BRIEF FOR APPELLANT.

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**BRIEF FOR APPELLANT.**

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**BASIS OF DISTRICT AND CIRCUIT  
COURT JURISDICTION.**

The original action herein is based on appellant's complaint (p. 3 Transcript), against appellee-defendant's alleged infringement of appellant's United States Plant Patent No. 974, the complaint praying for a permanent injunction and damages (see Pars. V, VI, and VII of the complaint, pp. 5, 6, 7 and 8 Transcript). The patentability of plants is authorized by 35 U.S.C. Sec. 161 (former 35 U.S.C. Sec. 31). The United States District Courts are given original jurisdiction of any civil action arising under any act of Congress relating to Patents, 28 U.S.C. Sec. 1338. Courts having jurisdiction in patent cases may grant

injunctions to protect patent rights, 35 U.S.C. Sec. 284. This Honorable Court of Appeals of the Ninth Circuit has jurisdiction of this appeal from the final decision of the District Court of the Southern District of California, by reason of 28 U.S.C. Sec. 1291; 28 U.S.C. 1294(1).

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### STATEMENT OF CASE.

Plaintiff's (appellant) assignor, Frederic W. Anderson, foremost fruit breeder of Nectarines in the world, patented the Sun Grand Nectarine, No. 974, and sold it to plaintiff nurseryman on a flat fee non-royalty basis. Plaintiff, Kim Bros., a partnership, have developed a large market in the San Joaquin Valley for this Sun Grand, as well as other Anderson patented Nectarines and other fruit. Plaintiff also grows and markets the Sun Grand and other Nectarines, as farmers and packers. In the last few years, Sun Grand has brought some of the highest prices on the auction markets of all varieties (see Exhibits Nos. 11, 12, 13 and 14).

Defendant, L. A. Hagler, is a large farmer who has purchased patented Nectarines from plaintiff in the past and who has also admitted unlicensed reproduction of plaintiff's patented Nectarines on two (2) occasions in the past and paid damages (Plants Exhibits 9 and 10, p. 257, Transcript). In 1957 plaintiff discovered large numbers of Nectarine trees on defendants' ranch, which they identified as Sun Grands,



their Patent No. 974. Defendant denied they were Sun Grands. Within a few days (July 23, 1957), plaintiff filed suit in this action.

Unbeknownst to plaintiff, defendant filed application for patent on the accused Nectarine (October 28, 1957), after he had filed his answer (September 4, 1957). After delays, a pre-trial order was entered March 4, 1958, listing exhibits for the trial, and providing that "either party may introduce as evidence at the time of trial exhibits other than those listed herein provided notice is given to the opposite party at least twenty (20) days prior to the time of trial and opportunity is given to inspect said exhibit or exhibits".

June 10, 1958 (trial being November 4, 1958), the U.S. Patent Office granted defendants a patent, without giving plaintiff notice of the proceedings, even though plaintiff's Patent No. 974 was referred to in defendants' patent application. The defendant's counsel casually told plaintiff's counsel about the receipt of defendant's new patent, but gave no opportunity to examine it, particulars or intimation it was to be a trial exhibit (pp. 49-50 Transcript).

The granting of defendants' Patent No. 1718 amounted to an ex parte hearing and judgment by the U.S. Patent Office on the very issues involved in a previously commenced action in the Federal District Court. The presumption of its validity struck a telling blow to plaintiff in the decision of the trial judge (Opinion, p. 25, Transcript).

One of defendant's essential claims in distinguishing his patent No. 1718 from plaintiff's No. 974, was a difference in ripening time of the fruit. It is true that a matter of a week or ten days could make a substantial practical difference in the marketing of many Nectarine varieties. This distinguishing claim was absolutely unsupported by the evidence. Other distinguishing claims were that defendants' Nectarine had a larger size and more red color. The evidence does not support these claims. There are certain characteristics in fruit, especially Nectarine classification, on which reasonable promologists cannot disagree, such as freestone or clingstone, large or small flowers, globose or reniform glands or no glands, flowers self-sterile or self-pollenizing (pp. 75-78, Transcript), whereas differences in color, size, shape of fruit or leaves, eating quality, ripening time, etc., can be debated by even experts if the differences are not substantial.

Whereas, plaintiff's patented Nectarines have been developed by long, laborious years of cross breeding, defendant bases his discovery of a new variety on a suddenly discovered sport (mutation) from one of plaintiff's patented Nectarine trees (Le Grand). The well reasoned opinion of a renowned independent authority testified such a sport was impossible (pp. 440-442, Transcript), while the defendant's expert testified without reason that such a sport was possible (p. 394, Transcript).

Evidence as to difference or substantial identity between the two Nectarines involved was sharply con-

flicting and a judgment for plaintiff could certainly have been sustained on the evidence. In view of this, the errors in admitting and “validating” defendant’s patent were prejudicial.

The essential questions involved in this appeal are:

(1) Whether defendant’s patent No. 1718 (Exhibit A), should have been admitted in view of the pre-trial order and in view of 35 U.S.C. Section 282;

(2) Whether the claims and specifications of defendants’ Patent No. 1718 covered the defendants’ accused Nectarine;

(3) Whether the defendants’ Patent No. 1718 should be entitled to a presumption of validity; and if so, whether such presumption should have any relevancy in this infringement action against the accused Nectarine;

(4) Whether defendants’ accused Nectarine is substantially different from plaintiff’s patented Nectarine, so as not to infringe thereon.

If the answer to any of these questions be “NO”, then the judgment below should be reversed or the case remanded for a new trial.

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### **SPECIFICATION OF ERRORS.**

The District Court below erred in the following particulars:

1. Admission in evidence on behalf of defendant, of defendant’s Plant Patent No. 1718, as defendant’s

Exhibit A (p. 225, Transcript). Plaintiff-appellant objected to the admission of this Exhibit on the grounds of "lack of notice and lack of pleading and Section 282 of 35 U.S.C." (p. 225, pp. 46-51, Transcript; see also p. 425, Transcript).

2. Rejection by Court of plaintiff's counsel cross-examining defendant's chief expert witness Martin Braun on his knowledge of claims in defendant's patent No. 1718, defendant's Exhibit A (p. 381, Transcript).

3. Finding of Fact No. 3, to-wit: "The United States Patent Office will allow a patent for a deviant plant where it is shown to have a few characteristics which distinguish it from other plants." There is no evidence in the record of what the U.S. Patent Office did in granting the defendant's patent No. 1718, Exhibit A; no evidence of what this office does in general. The attempt by the defendant to introduce a manual of procedure of the Patent Office was rejected by the Court on objection of plaintiff (pp. 425-426, Transcript). The statement in the Court's memorandum opinion to the effect of this finding (p. 21, Transcript) was based on an inference that because plaintiff's assignor had been granted several Nectarine patents, it followed that there must be small differences between these patented Nectarines. It follows just as well that there are substantial differences in these other varieties patented.

4. Finding of Fact No. 4, to-wit: "Plaintiff's patented variety known as 'Sun Grand', U.S. Plant

Patent No. 974, for Nectarine trees issued on August 22, 1950, to Frederick W. Anderson, has the following characteristics:

- (a) An early ripening period, with respect to other commercial varieties;
- (b) A larger size than the same;
- (c) Superior shipping and eating qualities."

This finding is incomplete because this Patent No. 974 has other claims of importance, among which is the claim that it ripens "approximately three weeks earlier than the yellow fleshed Le Grand variety" (Plaintiff's Exhibit No. 1).

5. Finding of Fact No. 9, to-wit: "The trees of defendants were the result of a sport or deviant".

There is no believable evidence that this could be possible where the uncontradicted evidence was that the "trees of defendants" (their alleged Red King variety No. 1718), were developed from one or two trees which were originally Le Grand trees (p. 230, Transcript). Although defendants' chief expert testified that such a sport was possible, he gave no reasons for such an opinion (p. 394, Transcript); other experts testified with good reason that such sport was impossible because of the great number of changes in characteristics between the alleged parent (Le Grand) and the supposed offspring sport (Red King). Dr. Harold P. Olmo, geneticist, University of California, at Davis (pp. 440-442). Frederick Anderson (pp. 497-499).

6. Finding of Fact No. 10, to-wit: "The trees of defendants are of an independent variety, named 'Red King'." The defendants based the independence of the variety on the allegation that it was a sport of the Le Grand (see Defendants' Exhibit A, Patent No. 1718, line 30, Column 1, line 58, Column 1, line 6, Column 2, and in the claim column 4). The believable evidence showed this to be a practical impossibility because of transmission of such divergent characteristics between supposed parent and sport.

7. Finding of Fact No. 11, to-wit: "The trees of defendants were developed by defendants and covered by U.S. Plant Patent No. 1718, filed October 28, 1957, and issued on June 10, 1958." In addition to the misrepresentation in the patent of denoting the defendants' "Red King" to be a sport, he claimed a "novelty by its habit of ripening about five or six days earlier than the fruit of its parent variety 'Le Grand'" (see claim of Patent No. 1718), and particularly that "the ripening period of the new sport, falls almost midway between that of Sun Grand and Le Grand . . ." (lines 53-60, Column 1 of Patent 1718). The evidence demonstrated there was no difference in the ripening period of Sun Grand and "new sport" (Red King), (p. 387, Transcript), and in fact, were the same (pp. 499-500, Transcript, Plaintiff's Exhibits 22 and 23). Likewise, defendants' evidence demonstrated the "Red King" ripened 14 to 21 days ahead of the Le Grand (Defendants' witness Braun, p. 383, Transcript).



8. Finding of Fact No. 12, to-wit: "The Nectarines grown by defendants under U.S. Plant Patent No. 1718 differ from those of plaintiff grown under U.S. Plant Patent No. 974 in the following respects and particulars:

- (a) Coloration of fruit,
- (b) Coloration of cavity,
- (c) Size and shape of fruit,
- (d) Size and shape of pits,
- (e) Difference in leaves as to shape, color and glands."

The defendant's Nectarines could not be grown under Plant Patent No. 1718 because this patent does not describe defendants' Nectarines, as pointed out in Specification of Errors, Paragraphs 6 and 7 above. Furthermore, the evidence does not support any substantial difference in the particulars listed in this finding.

9. Finding of Fact No. 13, to-wit: "The Nectarines grown by defendants under U.S. Plant Patent No. 1718 ripen five to six days earlier than the fruit of its parent variety, 'Le Grand' ". The defendants' own evidence supported only the conclusion that defendants' Nectarines ripened at least 9 days (Hagler, pp. 241-253, especially 249, Transcript), and more probably 14-21 (Braun, p. 383, Transcript).

10. Conclusion of Law No. 1, to-wit: "There has been no infringement of plaintiff's U.S. Plant Patent

No. 974, issued on August 22, 1950, to Frederick W. Anderson.” The evidence demonstrated that defendants’ Nectarines were substantially the same if not identical with the plaintiff’s patent No. 974, Sun Grand Nectarine, and were not a distinct and new variety of plant.

11. Conclusion of Law No. 2, to-wit: “Plaintiff has suffered no damages in this action.” If there has been infringement this conclusion is obviously erroneous, defendants having grown large numbers of the accused trees.

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### **ARGUMENT WITH POINTS AND AUTHORITIES.**

The United States plant patent laws originated on May 23, 1930 (*Townsend-Purnell Plant Patent Act*, Ch. 312, 46 Stat. 376, now 35 U.S.C. Secs. 161-164), but the recorded cases of Courts dealing with plant patents can be counted on the fingers of one hand, in contrast to the thousands of cases on patents generally. The plant patent Act was enacted primarily for an incentive to the professional plant breeder according to the Congressional Committee reports:

#### **“Purposes of Bill**

The purpose of the bill is to afford agriculture, so far as practicable, the same opportunity to participate in the benefits of the patent system as has been given industry, and thus assist in placing agriculture on a basis of economic equality with industry. The bill will remove the existing discrimination between plant developers and industrial developers . . .”



### “Stimulation of Plant Breeding

Today the plant breeder has no adequate financial incentive to enter upon his work. . . .It is hoped that the bill will afford a sound basis for investing capital in plant breeding and consequently stimulate plant development through private funds” (*Senate Report*, 71st Congress, 2nd Sess., Calendar No. 307, Report No. 315, Plant Patents).

The House Report of the same Congress is to the same effect. It is to be noted that plaintiff’s patentee, Frederic Anderson, is practically a modern Burbank in the Nectarine field (pp. 53-57, Transcript). He has patented 31 varieties among a total of possibly 41 patented Nectarines (p. 57, Transcript), and all by laborious plant cross-breeding process. The defendant is a farmer (not plant breeder), who allegedly stumbled on a bud sport in an orchard quite by accident (see Exhibit A, first and second paragraphs of Patent 1718).

It is important to realize the difference between hybrids (cross-breeding) bud sports, and seedling mutants. The Senate report (*supra*) drew these distinctions in Par. III thereof, Explanation of Provisions of Bill, Classes of New Varieties. The distinctions are also put out in the brochure of U.S. Department of Commerce, Patent Office, “General Information Concerning Plant Patents”, 1958, U.S. Comm. D.C.-37607. Plaintiff’s assignor, Anderson, developed his hybrid Sun Grand by cross-breeding—intermixing pollen, planting seeds, selection of seedlings, asexual repro-

duction (pp. 64-66, Transcript). This is the method which produced the new Sugar hybrids described in *Bourne v. Jones*, 114 Fed. Supp. 413, 416, a case which had nothing to do with sports or mutants. The difference between sports and mutants as used in the statute (35 U.S.C. 161), was pointed out by Mr. Anderson (p. 133, Transcript). Mutants refers to mutations coming from volunteer seedlings by self-pollenization of the species, and changes of character, although generally regressive, are more possible. Whereas, a sport is a bud mutation where a bud on a growing tree suddenly develops new characteristics.

No one denies that bud sports do occur, but such occurrences almost always result in poorer characteristics (pp. 458-459, p. 497, Transcript). The claim of the defendants' patent alleged a bud sport of this "Red King" from the Le Grand. This meant a change of characteristics thusly:

<u>Characteristics</u>	<u>Le Grand</u>	<u>Red King</u>
leaf glands	reniform	globose
stone	clingstone	freestone
ripening	July 26th (approx.)	July 5 (approx.)
surface of fruit	less smooth	smoother
color of fruit	yellow—less red	more reddish
russeting	more russeting	less russeting
flavor	less tart	more tart
size	larger	smaller
vigor of tree	less vigorous	more vigorous

See Plaintiff's Exhibit 16. Dr. Harold Olmo, University of California geneticist, explained that it would be an "extremely remote possibility, so remote that one could consider it practically impossible" (p. 446,

Transcript). He explained that the chances of a bud sporting from clingstone to freestone and reniform to globose glands would be 1 in a million (p. 441, Transcript), and the additional differences would put the chances in "astronomical proportions". The witness Anderson gave similar testimony with similar reasons as to the doubtful possibility of transmitting wide differences in sports (pp. 497-499). The defendants' expert, Braun, gave no reason for giving an opinion such a sport was possible (p. 394, Transcript).

"The trier of facts under proper circumstances may reject expert testimony and reach a conclusion based upon its own knowledge, experience and judgment. However, it must fairly appear from the record that the fact finder had knowledge and experience relative to the subject matter. The expert opinion cannot be arbitrarily disregarded" *Cullers v. Commissioner*, 237 F.2d 611, p. 617 (1956).

Furthermore, in order for opinions of experts to have "much weight, they must be accompanied by statements of good reasons on which they are based", 3 *Walker on Patents*, Deller's Edition, sec. 707, Expert Evidence, p. 2018. Both the witnesses Anderson and Olmo have had wide experience in the field of plant genetics and the development of new varieties, Anderson particularly with Nectarines, while the witness, Braun, has never developed a worthwhile variety (p. 350, Transcript). The value of expert testimony generally depends on the facts stated as the reason for their opinion. *Stentor Elec. Mfg. Co. v. Klaxon Co.*,

30 F. Supp. 425, affirmed 115 Fed. 2d 286, reversed on other grounds, 313 U.S. 487.

In addition to the claim of defendant Hagler's Patent No. 1718 that the Le Grand was a parent of the sport Red King, the defendant declared in his claim that his Red King ripened "5 to 6 days earlier than the fruit of its parent variety, Le Grand" (Exhibit A, col. 4, line 13), and in his specification, (Exhibit A, col. 1, line 59) alleged his Red King ripened "midway" between plaintiff's Sun Grand and Le Grand, which latter two were said to ripen two weeks apart. The evidence is absolutely contradictory to these claims, and the Court admitted as much in its opinion, (p. 26, Transcript). Even though the defendants' expert made a chart of ripening periods between the Sun Grand and Red King, he could find no significant difference (p. 387, Transcript). Furthermore, he was of the opinion the Red King ripened 14 to 21 days ahead of the Le Grand (p. 383, Transcript), not 5 or 6 days, as claimed in the patent. This divergence meant the Red King ripened at the same period as the Sun Grand. The Court in its opinion, erroneously indicated only 2 harvest periods had passed for the Red King and therefore, ripening periods could not be accurately determined (p. 26, Transcript). The defendant gave the ripening dates for his Red King for 3 years: 1956-July 7th (p. 241, Transcript), 1957-July 8th (p. 243, Transcript), and 1958-July 2 (p. 244, Transcript). If the ripening date differences claimed by Hagler are not yet determinable (as the Court infers), the patent is invalid for lack of inven-

tion, because the claim would "be predicated on mere speculation or conjecture, . . ." whereas, "it must be based on something ascertained, something definite and certain", (*Bourne v. Jones*, 114 Fed. Supp. 413, p. 418, citing *Westinghouse Electric & Mfg. Co. v. Saranac Lake Electric Light Co.*, CCNY 108 F. 221, affirmed 2 Cir., 113 Fed. 884). If the ripening periods demonstrated by the evidence are to be used, which seems more reasonable, then the Court should construe the defendant Hagler's Patent No. 1718 not to cover his trees and fruit. "To construe letters patent is to determine precisely what inventions they cover and secure. Nothing described in the letters patent is secured thereby unless it is covered by a claim." *Walker on Patents*, Vol. 2, p. 1204; *Motion Picture Patents Co. v. Universal Film Mfg. Co.*, 243 U.S. 502, p. 510. Furthermore, the construction of a patent is a matter of law, not of fact, *Coupe v. Royer*, 155 U.S. 565, 574-575, and therefore, the construction of the trial Court should be reviewable by the Appeals Court. To the layman, the discrepancy of a week or two in ripening period claimed in the patent and the actual fruit might seem a small error. However, nobody points out the importance of this in the closely competitive field of marketing fresh fruit better than the defendant himself in his own patent (Exhibit A, col. 1, lines 62-64).

The other points of the defendants' Patent claim (Exhibit A, Col. 4, lines 8-14), to-wit: yellow flesh, freestone, higher red coloring of skin as compared to Le Grand,—these claims show no novelty whatsoever.



The Le Grand, Sun Grand and Red King are all yellow fleshed (see pp. 80-81, Transcript, and Exhibits E-28-29-30). To say a Nectarine is yellow fleshed is simply to distinguish it from white-fleshed, such as the old Quetta Nectarine (p. 64, Transcript). Of course, no one disputed the fact the Sun Grand and Red King were both freestones, and both redder-skinned than the predominantly yellow-skinned Le Grand.

It seems plain from this review of the evidence that the claims of the defendants' Patent No. 1718, (Exhibit A), simply do not cover his accused fruit, and therefore, it was error for the trial Court to so find, invoking the presumption of validity and thereby covering the accused fruit with a protective veil of legality.

The preceding decision of the invalidity or erroneous claims of the defendants' Patent No. 1718, as applied to the accused fruit, is further highlighted by the irregular manner in which this Patent (Exhibit A) was introduced in evidence. The pre-trial order, entered March 3, 1958, (pp. 12-16, Transcript), purported to list in Paragraph V, "The exhibits to be offered at the trial, insofar as are now known, consist of the following:" While the plaintiffs, of course, listed their Patent No. 974, the defendant made no mention of his Patent application pending since at least October 28, 1957. The pre-trial order further recited in said Paragraph V:

"The parties have stipulated that either party may introduce as evidence at the time of trial exhibits other than those listed herein provided notice is given to the opposite party at least 20

days prior to the time of trial and *opportunity is given to inspect said exhibit or exhibits*" (italics ours).

While it is true defendants' counsel casually mentioned on the phone to plaintiff's counsel, in June, 1958, that defendant had been granted a patent, he did not advise plaintiffs the nature or number of such patent, nor that the same was to be used as an Exhibit at the trial, nor offer to give plaintiffs the "opportunity to inspect" the same, (pp. 49-50, Transcript). The trial Court has the right to relieve counsel of pre-trial stipulations to prevent manifest injustice, but it must impose suitable protective terms or conditions to prevent substantial harm to the opposing party. A court may err in relieving a party of a stipulation as to a crucial fact without imposing appropriate conditions to protect the opposing party. "The responsibility was on the Court. In the nature of things the Court, and the Court alone, could fashion those measures which would make the result fair". *Laird v. Air Carrier Engine Service, Inc.*, C.C.S. 1959, 1 F.R. Serv. 2d, 16.32, p. 267; 263 Fed. 2d 948, p. 953; see also *Burton v. Weyerhaeuser Timber Co.*, D.C. Ore., 1941, 1 F.R.D. 571, (where a new trial was granted for failure to conform the evidence to the pre-trial order). It is true the Court below suggested it would protect plaintiffs from surprise (p. 50, Transcript), after plaintiffs had objected to the admission of the Exhibit A, as in variance with the pre-trial order, but the Court never did. Defendants were on notice of plaintiff's Patent from the time suit was filed (defendant per-

sonally knew of the Sun Grand Patent, as far back as 1954), and had every opportunity to use discovery and subpoena procedures with the patent office or plaintiff, to attack its validity or manner of issue. Plaintiffs had no such opportunity to investigate the background of defendants' patent, which turned out to be his most important defense. Although the Patent Office has power to require specimens of the plant in quantity and can refer plant patents to experts in the Department of Agriculture, we should not indulge in the presumption that they have done so. Although it is not a matter of evidence, the plaintiffs have learned since the trial, that the Department of Agriculture never inspected the "Red King" Nectarine, let alone verified in any manner, the alleged variance in ripening date between the Red King, Sun Grand and the Le Grand, as set forth in the claims and specifications of the defendants' Red King Patent. A reading of the record demonstrates the honorable trial judge was not of the temperament to indulge continuances (p. 428, p. 49, p. 117, p. 435, Transcript), and furthermore, unduly limited plaintiff in cross-examination of defendants' witnesses concerning Patent No. 1718 (p. 381, Transcript). The Court admits the file of the Patent Office might be admissible in evidence (p. 426, Transcript).

In addition to the pre-trial order, Section 28 of 35 U.S.C. requires patents to be pleaded or noticed in writing:

"In actions involving the validity or infringement of a patent the party asserting invalidity or non-infringement shall give notice in the plead-



ings or otherwise in writing to the adverse party at least thirty days before trial, of the country, number, date, and name of the patentee of any patent. . . .” 35 U.S.C. 282.

The section then goes on to give the Court power to admit such evidence, even though the section has been violated, on such terms as the Court makes. But the Court below, in effect, simply set aside the requirements of this section and the pre-trial order without making any terms. The appellants submit that this was an abuse of judicial discretion. See *Electric Storage Battery Co. v. Shimadzi*, 307 U.S. 1, p. 16, 59 S. Ct. 675, p. 682, 1939, (before amendment of 35 U.S.C. 282 in 1952). *C. S. Johnson Co. v. Stromberg*, 9 C.C.A., 1957, 242 F. 793, pp. 797-798, affirms that exception in the last sentence of 35 U.S.C. 282, gives the trial judge discretion in these matters; however, on the facts of this case, we think the decision of the trial judge here was not a reasonable exercise of discretion.

The presumption of validity of defendants’ Patent No. 1718 invoked by the trial Court would seem to be in error in view of the misrepresentation in the patent application concerning the difference in ripening periods between the Red King and Sun Grand, and the Le Grand. *Floridan Co. v. Attapulgis Clay Co.*, 35 F. Supp. 810, pp. 813-814, aff’d. 125 F. 2d 669. Furthermore, if plaintiff had been given timely written notice and opportunity to examine defendants’ patent, the Patent Office file wrapper would have afforded further information as to just what references and consideration were made by the Patent Office as to

plaintiff's Patent No. 974. This might well have further weakened or destroyed the presumption of validity. *Delco Chemicals, Inc. v. Cal-Bee Chemical Co.*, D.C. Cal. 1957, 157 F. Supp. 583; *Niash Refining Co. v. Azor, Inc.*, D.C. R.I. 1957, 159 F. Supp. 505; *Beauchamp v. Schireson*, D.C. Cal. 1937, 18 F. Supp. 367. Although there may be a presumption of validity attached to a patent regularly issued, nevertheless structures embodying the inventions of a prior patent will be enjoined "whether or not the Patent Office has given the shield of a patent". *Starlack Mfg. Co. v. Kublanow*, 3 C.C.A. 1939, 106 F.2d 495, p. 501.

It is to be pointed out that although a grant of a subsequent patent (defendants' Patent No. 1718) raises a legal presumption of a patentable difference from an earlier patented invention (plaintiff's Patent No. 974); there is no presumption that the subsequently granted patent does not infringe the earlier patented invention. 3 *Walker on Patents*, Deller's Edition (1937), p. 1758, Sec. 506, and cases there cited. The Court below applied a similar rule as to no presumption of infringement by defendant by reason of the presumption of validity of plaintiff's patent (p. 20, Transcript); but seems to presume a lack of infringement by reason of defendants' grant of patent (pp. 24-25, Transcript).

Appeals are usually difficult to prosecute successfully on the basis of insufficiency of evidence because of the great authority in the trial judge to resolve conflicts in evidence, and the rule that an Appellate Court will not upset a judgment if there is any evi-

dence to support it. However, the additional discussion of evidence to follow is made to serve two purposes (1) to attempt to demonstrate that the appellee's best evidence does not prove lack of infringement, and (2) even if it does, that the evidence was so sharply conflicting that other errors by the Court described heretofore are therefore prejudicial.

We have discussed above the differences alleged by defendant in the claims of his patent. In addition, the Court found a difference in color (redder), a larger size, a difference in the pits of the fruit, the color of the pit cavity, and in the shape, color and glands on the leaves (p. 26, Transcript). The great bulk of defendants' evidence in this regard were 35 mm. color slides projected on the screen in the courtroom. Without being personal, it seems fair to note that the trial judge was extremely near-sighted (p. 346, Transcript). Over 69 slides were projected by defendants' expert, Braun (Exhibits E 1-69). These were Kodachrome color slides, and while color photography is not positively true to actual color, the comparison of alleged differences in color should be apparent if the same film was used to photograph different fruits under the same exposure, light, distance, etc. Yet these slides do not demonstrate any substantial difference in color of plaintiff's Sun Grand (taken from 3 ranches, Hiroaka, Kozuki and Tagus), and the Hagler Red King (see Exhibits E-22 and E-23, E-16 and E-17). (p. 366, Transcript). The expert attempted to evade the sameness of color (red) in these pictures by explaining they were not taken to show color. Yet

he admitted they were random samples. The explanation is unbelievable. One is faced with the inescapable conclusion that he picked some "random" samples to demonstrate one character and other samples to show another. A glance at printed color photographs Exhibits 5, 6, 7 and 8, even though plaintiff's exhibits, will at once demonstrate the striking identity between the Red King and the Sun Grand fruits.

The Court found the Red Kings were of larger size fruit, than the Sun Grands, presumably from testimony by defense witnesses, and yet the statistics, produced by the defense expert Braun, (J-1, J-2, J-3 and 15) and the defendant's own records through his witness, Vaughn Girazian (pp. 461-463, Transcript) leave such defense statements of size unbelievable. In the fruit business size is most commonly measured by pack-out sizes: how many Nectarines will fit in a standard size shipping lug. Thus, Nectarines, which pack out 96 to the box are called 96's being much smaller than the same variety which packs out 60 to the box, called 60's, the 60's being much larger (p. 342, Transcript). Although Mr. Braun's entire analysis of comparative characteristics in his 69 slides had been with Red King fruit grown on the defendant, Lyle A. Hagler's ranch; when he obtained pack-out records, he chose to ignore pack-out records of Lyle Hagler and instead, chose those of defendant's brother, Clinton Hagler, who only has a limited number of Red King trees (1029 boxes—p. 405, as against 4094 boxes for Lyle Hagler). The results of the defendant, Lyle Hagler's pack-out sizes when added to the data

given by Exhibits J-1, J-2 and J-3, give the following range of sizes:

	Red Kings		Sun Grand	
	Lyle Hagler	Clinton Hagler	Tagus	Kozuki
60's and larger	02%	19%	5%	16%
70's and larger	30%	77%	57%	53%
80's and larger	76%	96%	94.1%	79%
90's and smaller	04.7%	nil	5%	nil

(Note: Above percentages are figured from a compilation of evidence shown at Table 1, Appendix herein.)

These statistics demonstrate that there is no difference in the range of sizes. If Lyle Hagler Red Kings sizes had been left out, as Braun did, the Clinton Hagler Red Kings *would* show a range of sizes appreciably larger than Sun Grands. But this presentation was neither fair nor believable in the light of other evidence from the same side.

It seems appropriate to point out at this point, something that should appear obvious: trees, flowers, leaves and fruit of the same variety differ (within a range) as to color, size, and number, ripening dates, from locality to locality, from tree to tree in the same orchard and even within the same tree. These differences are just natural, and also effected by soil, climate, thinning, method of cultivation, etc., (pp. 308, 292, 315, 146-148, Transcript). Comparing patented plants is hardly like comparing patented inanimate objects. Therefore, it seems apparent the only just comparison is by averages or ranges. We did use the first ripening dates—previously in this brief, because such dates are given in the two contesting patents and because this is the simplest aspect. However, the range



of ripening dates and quantities, particularly, the mid range, or period of heaviest ripening would seem a better comparison. For this reason, statistics taken from the California Tree Fruit Agreement (Exhibit 21), a governing body receiving daily reports of packing quantities, and private statistics were summarized by Frederic Anderson (Exhibits 22, 23), showing the heaviest harvest for Sun Grand to be July 5 to 10th, in 1958, and Red King to be July 5 to 9, 1958, and the Le Grand to be July 21 to 31, 1958 (p. 500, Transcript, Exhibits 22, 23).

Although the Court found a difference in coloration of pit cavity (p. 34, Transcript), the defense expert, Braun, said he could find no substantial difference (p. 311, Transcript).

The Court also found a difference in the size and shape of pits (p. 34, Transcript), and differences in the leaves as to shape, color and glands (p. 34, Transcript). Admittedly the defense expert Braun did find such differences. However, statistics and bags of pits introduced by plaintiff expert, Taylor (Exhibits 19, 17 and 18), of 50 of each variety in contrast to 10 of each taken by Braun (p. 338, Transcript), showed no differences as to pits. The same may be said of leaves.

Whatever differences in the *number* of glands, different shade of green on leaves, the slight variation in the shape of leaves or fruit, are differences on which reasonable men can vary in opinion. They are hardly sufficient for such improvement on the Sun Grand trees to leave the Red King free from the charge of

infringement. The Plant Patent law requires a "distinct and new variety" (35 U.S.C. 161). "On the other hand, in order for the new variety to be distinct it must have characteristics clearly distinguishable from those of existing varieties . . ." *House Report No. 1129*, 71st Congress Second session, April 10, 1930; paragraph labeled "Distinct Varieties"; *Senate Report*, supra, "Distinct Varieties." Even though it may be assumed from bare opinions of the defense witnesses, that the accused plant was an honest sport, it does not reasonably follow that, ipso facto, it is a new and distinct variety or specie. Congress could not have been authorizing plant patents for every new subspecies by technical botanical observation, because all patents must have utility, for in the Constitutional provision for the patent laws, the object is declared to be to promote the progress of science and "the useful arts" (U.S. Const. Art. I, Sec. 8). The conditions of patent-ability are set forth in Sections 101, 102 and 103 of 35 U.S.C., and include the requirement of usefulness, or "new and useful improvement" (Sec. 101) and

"its differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole, would have been *obvious* at the time the invention was made to a person having ordinary skill in the art to which the subject matter pertains". (Sec. 103) (*Italics ours*).

"The provisions of this title (35 U.S.C.) relating to patents for inventions shall apply to patents for plants except as otherwise provided." (Sec. 161).

While it is difficult to apply patent cases on machines, compounds, processes and designs to plant patents, nevertheless all patents arise from the same constitutional authority, and by statute plant patents are only differentiated from other patents in a few respects (the description need not be as complete, etc.), so that some light may be shed on the interpretation of plant patent infringements by other cases. It is said that minor differences found between patented and infringing structures were not sufficient to avoid infringement, for a close copy which uses the substances of an invention and performs the same offices with no change in principle, constitutes infringement, although some change of form and position was shown. *Oles v. Baltimore*, 89 F2d 279, CCA 4 (1937); *Laclede v. Camp*, 121 F2d 449, CCA 8 (1941); *Merco Nordstrom v. Acker Corp., Inc.*, 131 F2d 277, CCA 6 (1942). It is true that the Sun Grand is probably only an improvement of prior Nectarines, but it had the distinct advantage of being freestone and red color as contrasted to the Le Grand, of good size, and ripening substantially earlier than the Le Grand, Kim & Bim varieties, as well as being firm-fleshed and good eating. All of these factors are substantially identical in the Red King. Anderson had patented the Le Grand (No. 549), the Kim (No. 173) and the Bim (No. 573), as well as many later varieties. The Red King and Sun Grand are both fairly large size, although not as large as Le Grand. The Red King and Sun Grand both hit the Eastern auction markets at the same time and brought substantially the same prices (although a natural vari-



ation due to new versus old trade names, supply and demand of the market on particular day, etc. (p. 401, Transcript, Exhibit 11). Actually the Sun Grand had the higher average price. The fruit both have an attractive red color and good eye appeal. The defendants suggested no differences or improvements of the Red King over the Sun Grand by way of more vigorous tree, more cold, heat or disease resistance, or any other utilitarian or economic characteristics. In the words of the plaintiff's Sun Grand Patent No. 974 claim, the Red King is "yellow-fleshed freestone fruit characterized by a ripening period between the white-fleshed John Rivers and Grower varieties; approximately two weeks earlier than the yellow-fleshed Kim or Bim varieties; and approximately three weeks earlier than the yellow-fleshed Le Grand variety; its firm flesh; its relatively large size, and its superior shipping and eating qualities". It is no defense that an infringing device is an improvement, if the exclusive features found in the patent have been adopted. *Chesapeake & O. Ry. Co. v. Kaltenback*, 95 F. 2d 801, C.C.A. 4 (1938). A patent may be infringed where the essential or substantial features of the patented invention are taken or appropriated, or the device, machine, or other subject matter alleged to infringe is substantially identical with the patented invention. 69 *Corpus Juris Secundum*, Patents, Sec. 290, p. 851.

The lower Court apparently based its decision in large part on the fact plaintiff had no direct evidence of illegitimate grafting or budding by the defendant or third persons, that the defense witness denied such

and claimed the new accused fruit grew from a sport limb which developed accidentally from their tree, and that the plaintiff could not prove to the contrary by direct evidence (pp. 22, 23, Transcript.) If this sort of premise is followed, plant patent rights will be almost impossible of enforcement. Rarely would the patentee catch the innocent or deliberate infringer red-handed in the act of asexual reproduction (grafting, budding). Furthermore, identification of fruit trees must of necessity await the passing of at least two or three years before the fruit appears in any quantity on the new tree and before the patentee can have the matter brought to his attention, however diligent. The accused has merely to then assert that this is the result of a sport, and if in truth it was the result of grafting or budding, the scars on the tree have probably disappeared beyond positive discernment (p. 485, Transcript). Perhaps such lack of eye witnesses should make a difference on the charge of treble damages, but it certainly should not be a bar to proof of ordinary infringement. Evidence of substantial identity between the patented fruit and the accused fruit should be enough.

In summary, the defendant's own evidence does not prove a substantial difference of his accused fruit, nor does he prove a distinct new variety. His own evidence characterizes his accused tree as falling directly within the claims of plaintiff's Patent, and within all the specifications in any material or utilitarian aspect. Therefore, the judgment should be reversed and remanded with directions for an interlocutory decree of

infringement and injunction and further proceedings on damages. If not remanded for an interlocutory decree in favor of plaintiff, the cause should be remanded for new trial in view of the prejudicial errors of the lower Court and the insufficiency of the evidence to sustain the findings, all as set forth in the Specification of Errors.

Dated, Fresno, California,  
August 14, 1959.

Respectfully submitted,  
SAVAGE & SHEPARD,  
By RICHARD L. SHEPARD,  
*Attorneys for Appellant.*

**(Appendix Follows.)**



## **Appendix.**



## Appendix

### TABLE I—PACK OUT SIZES

(Summary of evidence from Exhibits Nos. J-1, J-2, J-3, 15, and testimony of Vaughn Girazian, Tr. pp. 461-463.)

Lyle A. Hagler ranch Red King nectarines  
Pack outsizes and quantities (boxes) Year 1958

48's	56's	60's	64's	70's	80's	84's	88's	90's	96's
		46	45	423	360		37		2
		9	7	271	561	36	148		13
				249	555	57			
					268	21	127		69
		8	2	159					
	1	10	3	73	85	8			
		6	5						
						54			25
							284	86	
.....									
totals 1958	1	79	62	1156	1829	176	596	86	109 (4094)

Clinton L. Hagler Red Kings 1958

11	57	127	188	415	196	16	13		6 (1029)
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Tagus Ranch Sun Grands (note 15 75's) 1958

12	101	194		965	790	27		104	(2208)
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Kozuki Ranch Sun Grands 1958

1	1	314	1	750	516	.....(410).....			(1993)
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### Percentages

Red Kings

Sun Grand

L.A.H.

C.L.H.

Tagus

Kozuki

60's and larger

02%

19%

05%

16%

70's and larger

30%

77%

57%

53%

80's and larger

76%

96%

94.1%

79%

90's and smaller

04.7%

nil

05%

nil

**TABLE OF EXHIBITS**  
with page numbers wherein exhibit admitted

PLAINTIFF'S EXHIBITS

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